

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

March 2, 2000

LB 918, 923

time-share interval from a developer shall be placed in escrow, to provide that the escrow account may be held in another state where the time-share project is located if the account is designated solely for the purpose and is insured, if the escrow agent is subject to the personal jurisdiction and venue of the district court in Nebraska located in the county of the purchaser's residence or principal office, and if the State Real Estate Commission is authorized to examine the account, and to provide that in lieu of placing deposits in an escrow account, the State Real Estate Commission may accept from the developer a \$50,000 surety bond to cover any default by the developer. Again, these must be upper crust because when we talk about ordinary renters, which would include college students, older people on fixed incomes, and those who may have a decent income but are required to put up a month's deposit, and some of these units are quite expensive, there is no requirement that that deposit go in an escrow account. There is nothing about interest that ought to be earned on that money which the landlord has use of for all of that time. There is nothing to protect a tenant against a landlord who would gouge and misuse that money or claim it as a part of the rent knowing that it would be too expensive for the renter to try to take legal action to get it back. But here where we are dealing with people who apparently are people of means...

PRESIDENT MAURSTAD: One minute.

SENATOR CHAMBERS: ...and could hire a lawyer, we're mandating that a deposit that is made in connection with this transaction must be placed in an escrow account. That if it's in an escrow account outside the state, there are certain requirements mandated by law which on my next time around or on my closing I will discuss a bit further.

PRESIDENT MAURSTAD: Thank you, Senator Chambers. Senator Bruning, I understand you wish to be recognized.

SENATOR BRUNING: Mr. Lieutenant Governor, I would like to take the opportunity to lay this bill over.

PRESIDENT MAURSTAD: Without objection, laid over. Mr. Clerk, LB 923.